

## Message Text

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21

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 CIEP-01 OMB-01

AID-05 CIAE-00 INR-07 NSAE-00 /032 W

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R 240631Z SEP 76

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 7816

INFO AMCONSUL KARACHI

AMCONSUL LAHORE

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E.O. 11652: N/A

TAGS: PGOV, PK

SUBJECT: GOP REPEATS ASSURANCES TO PRIVATE SECTOR  
ON NATIONALIZATION

REFERENCE: ISLAMABAD 8612

1. IN AN OBVIOUS MOVE TO HELP RESTORE PRIVATE SECTOR  
CONFIDENCE IN THE WAKE OF JULY'S NATIONALIZATION ACTION,  
SPECIAL ASSISTANT TO THE PRIME MINISTER FOR ECONOMIC  
AFFAIRS, SHAHID HUSAIN, SAID ON SEPT 22 THAT  
NATIONALIZATION OF KEY AREAS DID NOT IN ANY WAY IMPLY  
THAT GOVT WOULD LIKE TO END PRIVATE PROPERTY OR PRIVATE  
ENTERPRISE. HE SAID: "I WOULD LIKE TO CONFIRM  
THE PRIME MINISTER'S DECLARATION (SEE REFTEL) THAT  
CINEMAS WILL NOT BE NATIONALIZED. NOR DOES THE GOVT  
INTEND TO NATIONALIZE GOLD BUSINESS, HOUSES, HOTELS,  
RESTAURANTS, SMALL-SCALE INDUSTRY OR ANY INDUSTRY  
WHICH IS EFFICIENT AND WELL RUN. ON THE CONTRARY,  
IT IS AN EXPLICIT OBJECTIVE OF THE GOVT'S POLICY  
TO FINANCE, PROTECT AND SUPPORT PRIVATE INDUSTRY WHERE  
THE FIELD IS NOT EXCLUSIVELY RESERVED FOR PUBLIC ENTER-  
PRISE."

2. COMMENT. REPORTS REACHING EMBASSY AND CONSTITU-

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ENT POSTS INDICATE THAT FEARS CONTINUE TO BE WIDESPREAD

IN THE BUSINESS COMMUNITY THAT FURTHER NATIONALIZATIONS ARE LIKELY, IF NOT BEFORE THE ELECTIONS THEN AFTERWORDS, AS LONG AS BHUTTO IS IN POWER. TWO SECTORS CONSIDERED PARTICULARLY VULNERABLE ARE THE TEXTILE INDUSTRY (THE SINGLE LARGEST INDUSTRY GROUP NOT YET NATIONALIZED) AND BUS TRANSPORT. WHILE PRIVATE INDUSTRIAL INVESTMENT WENT UP SLIGHTLY IN FY 1975 AND FY 1976 AFTER FOUR YEARS OF SHARP DECLINE, THE GUESS NOW IS THAT THE INVESTMENT CURVE WILL SHOW A DRASTIC DECLINE AGAIN WHEN FY 1977 FIGURES EVENTUALLY APPEAR.

BYROADE

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, PRIVATE ENTERPRISE, ALLEGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greenet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ISLAMA10000  
**Document Source:** CORE  
**Document Unique ID:** 00  
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**Film Number:** D760362-0102  
**From:** ISLAMABAD  
**Handling Restrictions:** n/a  
**Image Path:**  
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